

INDIANA MICHIGAN POWER COMPANY'S
INITIAL COMMENTS IN IURC RM #04-02,
PROPOSED REVISED CUSTOMER SERVICE RIGHTS
AND RESPONSIBILITIES RULES (170 IAC 4-1.2 ET AL)

I. Introduction

Indiana Michigan Power Company (I&M or Company) appreciates the opportunity to provide comments in the Indiana Utility Regulatory Commission's (IURC or Commission) Rulemaking #04-02 to revise various rights and responsibilities with regard to certain aspects of utility customer service. I&M, an Indiana corporation, is a public utility engaged in the generation and purchase of electric power and the subsequent sale, transmission, and distribution of that power to approximately 452,000 customers in northern and eastern Indiana, including 398,000 residential customers. While the Commission's rulemaking encompasses certain electric, gas, water, and sewer rules, I&M's comments and suggestions are limited in scope to the proposed revised electric rules. As a multi-state utility, I&M has experience in other jurisdictions and with other approaches to customer service rules that it believes can be beneficially contributed to the discussions in RM #04-02.

I&M's objective is to provide safe, reliable, and efficient service at a reasonable price. Traditionally, I&M has endeavored to make reasonable and appropriate arrangements with those of its customers temporarily facing financial difficulty. The products provided by utilities, including I&M, however, make credit and collection matters perhaps more challenging in some respects than for other business enterprises. Few businesses afford customers the opportunity to use or consume the service or product for a month and then, only after-the-fact, request timely payment some three weeks later yet for the service or product provided. Moreover, with utility service, beyond any deposit held by the utility, there is no collateral for the utility to attach and no opportunity to repossess the product—in the case of electricity, the product existed only in the instant it was consumed by the customer.

Utilities have obligations to many stakeholders, including those of its customers experiencing financial distress and those not distressed, commercial and industrial (C&I) customers striving to compete and to provide jobs in their communities, and, in the case of investor-owned utilities such as I&M, stockholders who expect a reasonable return on their invested capital. While all stakeholders may have some tolerance for the customer who suddenly finds himself or herself unable to pay for the product and service provided, some stakeholders may have relatively less tolerance for the customer unwilling or habitually unable to pay. It is unlikely that prompt paying residential and C&I customers would be tolerant of larger increases in basic rates and charges to further subsidize customers unwilling or habitually unable to pay for service. There are sources of assistance available to financially distressed customers—through governmental agencies, community assistance agencies, social service organizations, churches, the courts, and, perhaps in

certain cases, the reprioritizing of personal responsibilities. Faced with various competing interests, utilities are relatively less well situated than the assistance agencies and social service organizations to subsidize the financially distressed.

One of the jobs of the public utility is to seek appropriate balance to the competing interests of its various stakeholders. Regulatory commissions are tasked with a somewhat similar role of finding the appropriate balance between the competing interests of utilities and consumers. It is I&M's view that the Commission, with regard to certain of the proposed revised rules, has missed the balance not only between utilities and consumers, but between diverse consumer interests as well. It is unlikely that prompt paying consumers, representing the majority of utility customers, will welcome the opportunity to absorb potentially substantial rate increases that will result if certain of the revised customer service rules are adopted as proposed.

I&M's comments with regard to specific proposed rule revisions are detailed below. In certain instances, specific alternative wording has been suggested and is shown in redline form in Attachment 1 (the IURC's rule document).

II. Comments on Specific Proposed Rule Revisions

A. 170 IAC 4-1.2-3(a)(2)(B)

Based upon I&M's knowledge and experience in Michigan, the Company suggests that the Commission look to the Michigan rules for guidance in this area. The IURC proposal would limit responsibility for payment of the electric service bill solely to the person whose name happens to appear on the electric service account. Michigan rules recognize the responsibility of other residents of the domicile, including spouses, who benefited from service provided during the period in question.

B. 170 IAC 4-1.2-3(b)

Again, rules in effect in Michigan provide guidance in this area. The IURC proposal identifies only two instances in which an applicant or customer would not be deemed creditworthy. Michigan rules suggest that there may be other situations in which an applicant or customer would fail to qualify as creditworthy.

C. 170 IAC 4-1.2-4(a)

The Commission's proposed revision, which states that to receive service the applicant or customer shall not be required to make any advanced payments in addition to or in lieu of a deposit, could be construed to exclude outstanding past debts for service from which the applicant or customer benefited,

reconnection charges, and unauthorized use charges, if any. The Company's suggested changes clarify this obligation.

D. 170 IAC 4-1.2-4(d)(3)

Please refer to I&M's comments on proposed Rule 170 IAC 4-1.2-4(a).

E. 170 IAC 4-1.2-4(e)(1)

The proposed IURC revision would seem to establish a cumbersome process obligating the Commission to annually issue a General Administrative Order to advise the regulated utilities of an interest rate readily available in the public domain. Again, Michigan rules provide valuable guidance in this area. For the C&I deposit interest rate in Michigan, it is the obligation and responsibility of the utilities to annually identify the specified, readily available interest rate determined by an agency of the Federal government and to apply that interest rate to C&I deposits in a timely and accurate manner.

F. 170 IAC 4-1.2-4(j)

I&M proposes to strike this new proposed sub-section in its entirety as it appears to the Company that Section 4(j) is in direct conflict with Section 4(d). Sub-sections (d) and (j) would both appear to speak to the circumstance of a utility taking a deposit from an existing customer. However, the conditions under which that deposit would be taken appear to be substantially different under sub-sections (d) and (j).

G. 170 IAC 4-1.2-5(b)(1)(E)

It is unclear to I&M how this proposed new rule applies to the electric industry and, therefore, the Company is unable to specifically comment on this proposal, including whether or not the proposed rule should be deleted or modified.

H. 170 IAC 4-1.2-5(b)(2)

Absent clarification to the contrary, I&M would indicate that this proposed new rule could be interpreted as providing for disconnection at a service location other than the service location at which the delinquency has occurred, as long as the same customer is responsible for both or multiple accounts.

I. 170 IAC 4-1.2-5(c)(1)

I&M would note regarding the medical moratorium that due to the cycle billing and disconnection typically practiced by utilities (i.e., accounts are billed and worked for disconnection only approximately every 30 calendar days), the

expansion of the moratorium from two 10-day periods to two periods totaling 40 days effectively expands the moratorium from 30 days to 60 days. This potentially allows larger delinquencies to accrue and greater debts for customers to address or larger charge-offs to ultimately be subsidized by other customers.

J. 170 IAC 4-1.2-5(c)(2)(C)

Please refer to I&M's comments on proposed Rule 170 IAC 4-1.2-3(a)(2)(B).

K. 170 IAC 4-1.2-5(d)

I&M interprets the Commission's proposed revisions as seeking to further clarify the existing rule without necessarily changing the intent of the existing rule limiting utility disconnection practices. I&M's only comment with regard to this matter is that other utility practices, as well as consumer lifestyle patterns, have changed since the 1970's when the existing disconnection rules were promulgated. To that extent, this rulemaking may be the appropriate time to update the Indiana rules to 21st century customer service practices and consumer lifestyles and to accommodate technologies not yet available but easily envisioned. With many utilities, including I&M, consumers today have the opportunity to conduct business 24 hours a day, 7 days a week. Call centers, pay stations, electronic commerce, among other practices, have made 24/7 service and bill payment not only possible but also common. Perhaps this rulemaking is an opportunity to now update certain rules in the event that future technology would make remote electronic disconnection or prepaid metering possible. The existing rule limiting disconnection to Monday through noon on Friday could also be considered limiting with respect to these technologies. To the extent that some customers could find appealing (for lifestyle reasons or otherwise) a future technology such as prepaid metering, existing rules should not place unnecessary or undue limitations on the utilities' ability to offer such services.

L. 170 IAC 4-1.2-5(e)(2)(F)

Producing the proposed information on each utility bill every month would be burdensome, expensive for utilities and ultimately their customers, and duplicative of information already available to customers by other means. For I&M to provide the proposed information, an additional sheet would likely need to be included with each of 400,000 Indiana residential billings generated every month. The additional sheet would increase paper, printing, handling, and postage costs, with no apparent benefit for the majority of customers. Further, more complete information with respect to the rights and responsibilities of customers and utilities is already available to customers by means of the pamphlet required to be provided to customers under 170 IAC 4-1-18, the

utilities' terms and conditions of service available from the utility or its website, the IURC website, or by calling the utility.

M. 170 IAC 4-1.2-6(a)

I&M suggests certain redlined changes that it considers to be improvements in the proposed rule, as drafted. In general, however, I&M finds the proposed rule to be vague and ambiguous with certain terms and provisions subject to much interpretation and in need of specific definition. I&M also observes that this proposed rule would appear to be new territory for Indiana utility regulation. Historically, regulation has presumed that absent a disputed bill or a disputed portion of a bill, the customer is responsible for timely payment of rendered billings. Certainly, in cases of financial hardship, utilities including I&M have worked with customers, to the extent reasonable and possible, to make payment arrangements mutually acceptable to the customer and utility. Proposed rule 170 IAC 4-1.2-6(a) would codify terms and conditions, albeit in somewhat vague and ambiguous form, specifically requiring utilities to enter into payment arrangements for billings that, while not disputed, are due from customers who at the time are experiencing some level of financial distress. The terms and conditions specified in the proposed rules could be more harsh than arrangements that would otherwise have been made with the utility or, alternatively, more lenient, which would increase utilities' receivable delinquencies and possibly uncollectible accounts, ultimately increasing the cost of electric service for all customers through general rate increases.

I&M finds proposed rules 170 IAC 4-1.2-6(a)(2) and (4) to be particularly vague and ambiguous, subject to much judgment and interpretation, and in need of more specific definition. Under these proposed rules, there seemingly would be no boundaries on what would be considered reasonable payment arrangements, with the further requirement that the payment arrangement always remain subject to amendment upon the customer's request. Provisions such as these would leave utilities, and ultimately nonparticipating customers through future base rate increases, exposed to unbounded and endless risk. As further discussed below, such provisions may also not be helpful to affected customers by allowing delinquencies to continue to increase indefinitely. The utility's only recourse would be to require additional amounts to be held on deposit. Funding for additional deposits displace customer funds that would otherwise have been applied to the payment of electric service and, for customers, may not be any more readily available than funding for the payment of electric service. It would be to the better interests of utilities and customers to establish boundaries of reasonableness on payment arrangements.

N. 170 IAC 4-1.2-6(f)

If adopted as proposed, this new rule would allow any customer, regardless of need, to be reconnected, regardless of the reason for disconnection, following

the payment of 20% of amounts due, regardless of the magnitude of the bad debt, during the period December 1 to March 15. This provision, by allowing the delinquency of any customer to increase to a greater level than would have otherwise occurred, is not helpful to utilities or customers. Further, proposed rule 170 IAC 4-1.2-6(f) is of questionable relevance to electric utilities who likely do not experience the levels of seasonal shut-offs of the gas industry, i.e., the predominant heating source in the Midwest is natural gas, which consumers may have less demand for during the summer months than electric service (for lighting, cook, air conditioning, etc.). In any event, proposed rule 170 IAC 4-1.2-6(f) if adopted would be expected to materially and significantly increase utilities' receivable delinquencies and possibly uncollectible accounts, ultimately increasing the cost of electric service for all customers through general rate increases.

O. 170 IAC 4-1.2-6(g)

I&M proposes to strike this new rule in its entirety. This proposed rule would significantly increase the utilities' costs, which will ultimately be passed on to all customers through general rate increases, for seemingly little benefit to customers. Customers are aware of whether electric service is on or off and likely aware, or can find out by contacting the utility, of the reason the service is off. Surveying customers to provide the limited information required in the proposed rule would be a costly endeavor when more complete information with respect to the rights and responsibilities of customers and utilities is already available to customers through the pamphlet required to be provided to customers under 170 IAC 4-1-18, the utilities' terms and conditions of service available from the utility or its website, the IURC website, or by calling the utility.

P. 170 IAC 4-1.2-7(c)(5)

It is unclear to I&M how this proposed new rule applies to the electric industry, and therefore, the Company is unable to specifically comment on this proposal, including whether or not the proposed rule should be deleted or modified.

Q. 170 IAC 4-1.2-8(a)

I&M notes that existing rules authorize customers to complain to the utility with regard to any bill "which is not delinquent at that time". Proposed rule 170 IAC 4-1.2-8(a) would delete the responsibility for customers to act in a timely manner with regard to a disputed bill. Untimely action will result in higher costs for the utility, and ultimately nonparticipating customers, as the result of more extensive and complex problem research, processing, and resolution.

R. 170 IAC 4-1.2-8(b)(1)

I&M proposes to add to this rule pertaining to customer complaints to the utility a provision that appears in the rule pertaining to customer complaints to the Commission. The provision requires the continuation of a level of customer payments during the pendency of a complaint when the utility and customer cannot agree on the amount in dispute. It would seem to I&M that the provision should apply regardless of whether the complaint was directed to the utility or the Commission.

S. 170 IAC 4-1.2-8(b)(2)

I&M proposes to strike the phrase “and there shall be no negative impact on the applicant or customer’s credit rating” during the pendency of a customer complaint to the utility. I&M does not control and cannot make any commitments or guarantees, particularly with respect to any unrelated events that could occur, regarding customers’ credit scoring during any particular time period.

T. 170 IAC 4-1.2-8(b)(3)

I&M suggests that the prohibition of disconnection during the pendency of a customer complaint to the utility should be subject to the same exceptions that exist in 170 IAC 4-1.2-7(c).

U. 170 IAC 4-1.2-9

I&M recommends the restoration in this proposed rule of the existing requirement for customers to first contact the utility regarding a concern or complaint. Administrative efficiency, for both the utility and the Commission, is improved and processing costs are lower when the utility first has the opportunity to resolve a customer’s concern. I&M also notes the significant extension of the various deadlines and time limitations for customers and the Commission in 170 IAC 4-1.2-9, as well as elsewhere in the proposed rulemaking. The proposed rule also states that the timeframes may be further extended at the discretion of the Commission. As previously stated in I&M’s comments, untimely action results in higher costs for the utility, and ultimately nonparticipating customers, as the result of more extensive and complex problem research, processing, and resolution.

V. 170 IAC 4-1.2-10(b)(1)

I&M suggests striking the proposed new requirement for utilities to obtain actual readings for initial or final bills for service. This proposed rule would impose tremendous additional costs on utilities for illusory incremental precision. Utilities possess sophisticated and complex billing systems. In the

case of I&M, its system timely and accurately bills over 450,000 Indiana residential, commercial, and industrial customers each and every month. Utility billing systems are able to accurately estimate daily consumption and mid-month meter readings of individual customer accounts. And in the case of I&M, if a customer expresses a concern regarding an estimated initial or final reading, I&M works with the customer, including reliance on a customer-provided reading, to resolve the concern.

The obtaining of an actual reading for every initial or final bill would require utilities to hire increased complements of personnel trained to obtain meter readings. Further, the workload would fluctuate significantly resulting in overstaffing or understaffing at varying times depending on work requirements. For example, many I&M communities are homes to major colleges and universities. The number of initial and final billings and, therefore, actual readings required during the months of August and May would far exceed the number of actual readings required during other months of the year. Inefficiencies in staffing alone would result in tremendously increased costs of service.

Based upon data for 2003, I&M estimates that the cost would exceed \$6 million annually to obtain the incremental and likely illusory precision of the actual readings required by proposed rule 170 IAC 4-1.2-10(b)(1).

W. 170 IAC 4-1.2-10(e)

I&M observes that the time period for the back billing of meter malfunctions or errors has been restricted from generally 12 months to generally six months. Lost revenues not able to be recovered from specific customers will ultimately be passed along to all customers through general rate increases.

III. Conclusion

During 2003 and early 2004, the IURC hosted a series of workshops concerning various issues of interest to utilities and consumers. Written documentation was provided to the Commission, good discussion occurred, and information exchange and education transpired for all interested parties as the result of these workshops. Customer service issues such as creditworthiness, deposits, meter reading, customer billing, collection practices, and disconnection policies were talked around, but never through.

Certain of the proposed revisions in the Commission's rulemaking #04-02 would, if adopted, result in significantly increased costs for utilities, including I&M, and ultimately all customers through general rate increases.

I&M recommends that the Commission bifurcate RM #04-02 into separate rulemakings dealing with deposit issues and other customer service matters. To

the extent a sense of urgency exists with regard to certain utility sectors, deposit issues could be addressed in a timely manner once the Commission receives and considers additional information provided by interested parties.

Customer service matters other than deposits, as identified in RM #04-02, should be given further consideration in workshops scheduled at the convenience of the Commission. Additional facts and data provided at these workshops should then serve as the basis for a subsequent rulemaking with regard to these issues.

I&M encourages the Commission to proceed in this recommended manner to obtain additional information and arrive at the appropriate balance with regard to these critical matters of service to utility customers.

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**TITLE 170 INDIANA UTILITY REGULATORY
COMMISSION**

Proposed Rule
LSA Document #04-144

DIGEST

Adds 170 IAC 41.2, 170 IAC 51.2, and 170 IAC 61.2 to establish new customer service rights and responsibility rules for electric, gas, and water utilities. Amends 170 IAC 7-1.3-2, 170 IAC 7-1.3-3, 170 IAC 7-1.3-8, 170 IAC 7-1.3-9, and 170 IAC 7-1.3-10 regarding telecommunications customer service rights and responsibilities. Amends 170 IAC 8.5-2 regarding sewage disposal service customer rights and responsibilities. Repeals 170 IAC 4-1-15, 170 IAC 4-1-16, 170 IAC 4-1-16.5, 170 IAC 4-1-16.6, 170 IAC 4-1-17, 170 IAC 5-1-15, 170 IAC 5-1-16, 170 IAC 5-1-16.5, 170 IAC 5-1-16.6, 170 IAC 5-1-17, 170 IAC 6-1-15, 170 IAC 6-1-16, and 170 IAC 6-1-17. Effective 180 days after filing with the secretary of state.

SECTION 1. 170 IAC 4-1.2 IS ADDED TO READ AS FOLLOWS:

Rule 1.2. Electric Customer Service Rights and Responsibilities

170 IAC 4-1.2-1 Applicability and scope

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 1. (a) This rule applies to any:

- (1) electric public utility; and**
- (2) rural electric membership corporation;**

that is now, or may hereafter be, engaged in the business of rendering service to the public under the jurisdiction of the commission.

(b) This rule creates the minimum level of service that a utility is expected to meet when providing reasonable quality electric utility services to the public and to establish the obligations of both the utility and the customer.

(c) No utility shall discriminate against or penalize a customer for exercising any right granted by this rule. If a utility's tariff on file with the commission contains provisions that conflict with this rule, this rule shall supersede any conflicting tariff provisions.

(d) Any utility subject to this rule that fails to meet the standards herein shall be subject to all legal remedies provided by law. Upon complaint or its own motion and after notice and hearing, the commission may order lawful enforcement mechanisms against a public utility that fails to meet the requirements or standards established in this rule. Nothing in this rule shall prevent the commission from exercising any authority it may have under applicable law to enforce this rule in the event any public utility fails to comply.

(e) The adoption of this rule shall in no way preclude the commission, upon complaint by a customer, upon its own motion or upon the petition of any utility or the office of the utility consumer counselor, after notice and hearing, from taking any of the following actions:

- (1) Altering or amending this rule in whole or in part.**

- (2) Requiring any other or additional service, equipment, facility, or standard.
- (3) Making such modifications with respect to the application of this rule as may be found necessary to meet exceptional conditions.
- (4) Requiring a utility to comply with any other service standards.
- (5) At its sole discretion, granting, in whole or in part, permanent or temporary waivers from this rule on an expedited basis.

The adoption of this rule shall not in any way relieve any utility from any of its duties under the law of this state or rules and orders of the commission.

(f) If any provision of this rule is determined by competent authority to be prohibited or unenforceable, the provision shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. (*Indiana Utility Regulatory Commission; 170 IAC 4-1.2-1*)

170 IAC 4-1.2-2 Definitions

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-1; IC 8-1-13

Sec. 2. The following definitions apply throughout this rule:

- (1) "Applicant" means any person or designated agent who seeks to become a customer for residential electric utility service.
- (2) "Commission" means the Indiana utility regulatory commission.
- (3) "Customer" means any person who requests and obtains residential utility service and is responsible for the payment of charges, compliance with filed tariffs, and rules of the utility.
- (4) "Disconnection" means the termination or discontinuance of utility service.
- (5) "Late payment charge" means the one-time penalty assessed by a utility on a customer's account when the account becomes delinquent.
- (6) "Residential service" means electric utility service for household purposes that is billed under a residential rate.
- (7) "Utility" or "public utility" means any public utility (as defined in IC 8-1-2-1) or any rural electric membership corporation (as established by IC 8-1-13) that furnishes electric service to the public under the jurisdiction of the commission.

(*Indiana Utility Regulatory Commission; 170 IAC 4-1.2-2*)

170 IAC 4-1.2-3 Creditworthiness guidelines

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 3. (a) A utility shall determine the creditworthiness of an applicant or customer in an equitable and nondiscriminatory manner:

- (1) without regard to:
 - (A) race;
 - (B) color;
 - (C) creed;
 - (D) religion;
 - (E) national origin;
 - (F) sex;
 - (G) marital status;
 - (H) receipt of public assistance; or
 - (I) the economic character of the area wherein the applicant or customer resides; and
- (2) solely upon the credit risk of the individual applicant or customer without regard to the:
 - (A) collective credit reputation of the area in which he or she lives; and

(B) credit history of any other individual residing in the household ~~or the applicant or customer's spouse~~ unless the applicant or customer was a household member during a period in which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant, if, at the time of the request for service, the account accrued within the last (4) years, remains unpaid, and is not in dispute.

(b) A utility may require a residential service applicant or customer to satisfactorily establish his or her financial responsibility (creditworthiness). The utility may require a deposit or other reasonable guarantee to secure payment of bills before providing utility service if the applicant or customer is not deemed creditworthy due to any of the following circumstances:

- (1) The applicant or customer does not meet or exceed the predetermined minimum credit score selected by the utility using a credit scoring system as provided in the utility's tariff.
- (2) The applicant or customer has failed to pay for past due electric service furnished to him or her at the same or at another address within the past four (4) years.
- (3) The applicant or customer misrepresents his or her identity or credit standing.
- (4) The applicant or customer fails to provide complete positive identification information upon request.
- (5) The applicant or customer, in an unauthorized manner, used, diverted, or interfered with the service of the utility situated or delivered on or about the applicant's premises within the last four years.
- (6) The applicant or customer requests service for a location at which he or she does not reside.
- (7) The applicant or customer was a household member during a period in which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant, if, at the time of the request for service, the account accrued within the last (4) years, remains unpaid, and is not in dispute.
- (8) A receiver has been appointed in a court proceeding within the last six years.
- (9) As allowed by federal bankruptcy law, the applicant or customer has sought relief under federal bankruptcy laws within the last six years.

(c) A bill for one (1) class of service (such as commercial) shall not be transferred to a bill for another class of service (such as residential), nor shall a bill for one (1) form of utility service (such as water) be transferred to a bill for another form of utility service (such as electric). Utility service shall not be denied for nonpayment of bills for merchandise or other nonutility or unregulated services.

(d) Utilities shall treat customers who have filed bankruptcy under federal law in accordance with the protective provisions of 11 U.S.C. 366, effective October 22, 1994. (*Indiana Utility Regulatory Commission; 170 IAC 4-1.2-3*)

170 IAC 4-1.2-4 Deposits

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2; IC 32-34-1

Sec. 4. (a) If the applicant or customer fails to establish that he or she is creditworthy under section 3 of this rule, the applicant or customer may be required to make a reasonable deposit. The deposit shall not exceed one-sixth ($\frac{1}{6}$) of the estimated annual billings for regulated utility service at the address at which service is rendered to the applicant or customer and shall be paid in full before establishment of service, subject to the provisions of section 6 of this rule; provided, however, that a deposit shall be based upon estimated regulated electric service charges only. If a deposit is greater than one hundred fifty dollars (\$150), the utility shall advise the applicant or customer simultaneously with making a demand for a deposit that the applicant or customer may pay the deposit in equal installment payments over a period of no fewer than three (3) months, and service shall be connected upon receipt by the utility of the first payment. For example, if the total deposit required by a utility

under this section is one hundred eighty dollars (\$180), the applicant or customer could make three (3) payments of sixty dollars (\$60) over a three (3) month period, and service would be connected after the first sixty dollar (\$60) payment. The applicant or customer shall not be required **in order to receive service** to make any advanced payments in addition to or in lieu of: a deposit required by this rule, **any delinquent service accounts of the applicant or customer at the same or another address or of a member of a household during a period in which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant if at the time of the request for service the account accrued within the last four (4) years and remains unpaid and is not in dispute, any applicable charges for service reconnection, and any applicable charges for unauthorized use** ~~in order to receive service~~. An initial deposit made by a customer shall be subject to reevaluation upon the request of either the utility or the customer, based upon actual charges for services rendered, at any time after service has been provided.

(b) The utility may elect to accept a written guarantee, signed by a third party guarantor acceptable to the utility within its discretion, of payment for all utility service rendered or requested to be rendered to the applicant or customer. The guarantor may terminate the guarantee upon thirty (30) days prior written notice. The guarantee shall be in full force and effect up to and including the date the guarantee shall terminate, and the guarantor shall be obligated, as provided in the written guarantee, respecting the payment of the amount of the applicant or customer's bill on the date of termination. A guarantee shall terminate when the customer submits satisfactory payment for a period of ten (10) out of any twelve (12) consecutive months.

(c) If the utility requires a deposit or a written guarantee as a condition of providing service, the utility shall advise the applicant or customer of the reason upon which the utility bases its decision and provide the applicant or customer with an opportunity to rebut the facts and show other facts demonstrating creditworthiness.

(d) A utility may require an existing customer to make a reasonable deposit, or an additional deposit in cases where a deposit has been made and exhausted under this rule, under any of the following circumstances:

- (1) The customer has been mailed disconnect notices for two (2) consecutive months.
- (2) The customer has been mailed disconnect notices for any three (3) months within the preceding twelve (12) month period.
- (3) The service to the customer has been disconnected within the past forty-five (45) days for nonpayment.

In such cases, notice of the need for a deposit shall be in writing, and the customer shall be given ten (10) business days from the mailing date of the notice within which to make the deposit. When the service has been disconnected within the past four (4) years under section 5 of this rule, the deposit shall be provided before the service will be reconnected. The total amount of all deposits required for service under this section may not exceed an amount equal to one-sixth ($\frac{1}{6}$) of the annualized estimated billings for regulated utility service to the customer at the address at which service is rendered. The applicant or customer shall not be required to make any advanced payments in addition to or in lieu of: a deposit required by this rule, **any delinquent service accounts of the applicant or customer at the same or another address or of a member of a household during a period in which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant if at the time of the request for service the account accrued within the last four (4) years and remains unpaid and is not in dispute, any applicable charges for service reconnection, and any applicable charges for unauthorized use**.

(e) Requirements for interest upon a deposit shall be as follows:

- (1) A deposit held more than thirty (30) days shall earn interest from the date of deposit. Beginning on the effective date of this rule, the rate of interest shall be ~~set by the commission based upon the~~

then existing rate for one (1) year United States Treasury Constant Maturity securities. The interest rate shall be rounded to the nearest one-half ($\frac{1}{2}$) of one percent (1%). **For each calendar year thereafter, the interest rate shall be the rate for one (1) year United States Treasury Constant Maturity securities, as of the first business day of the calendar year, rounded to the nearest one-half ($\frac{1}{2}$) of one percent (1%).** ~~In December of each year, the commission shall issue a general administrative order establishing the interest rate for the next calendar year that shall be paid on all deposits held during all or part of the subsequent year.~~

(2) The deposit shall not earn interest after the date it is mailed or personally delivered to the customer or otherwise lawfully disposed of as provided in subsection (f)(6).

(f) Requirements for refunds shall be as follows:

(1) Any deposit and accrued interest shall be promptly refunded to the customer without the customer's request when the customer submits satisfactory payment ten (10) out of any twelve (12) consecutive months without late payment.

(2) A statement of accounting for each transaction affecting the deposit and interest shall accompany refunds of deposits or accrued interest issued under this section.

(3) Following a customer requested termination of service, the utility shall do the following:

(A) Apply the deposit, plus accrued interest, to the final bill.

(B) Refund any remaining deposit and accrued interest within fifteen (15) business days after payment of the final bill.

(4) A utility shall maintain a record of each applicant or customer making a deposit that shows the following:

(A) The name of the customer.

(B) The current mailing address of the customer.

(C) The amount of the deposit.

(D) The date the deposit was made.

(E) A record of each transaction affecting the deposit.

(5) Each customer shall be provided a written receipt from the utility at the time the customer's deposit is paid in full or any time the customer makes a partial payment. The utility shall provide a reasonable method by which a customer, who is unable to locate his or her receipt, may establish that he or she is entitled to a refund of the deposit and payment of interest thereon.

(6) Any deposit made by the applicant or customer to the utility (less any lawful deductions to be refunded), or any sum the utility is ordered to refund for electric service that has remained unclaimed for one (1) year after the utility has made a diligent effort to locate the customer who made the deposit or the heirs of the customer, shall be presumed abandoned and treated in accordance with IC 32-34-1 et seq.

(g) A deposit may be used by the utility to cover any unpaid balances owed the utility following disconnection of utility service, provided, however, that any surplus be returned to the customer as provided in this section.

(h) A deposit shall not be applied to satisfy an applicant or customer's bill, prior arrearage, or outstanding indebtedness that is greater than four (4) years old; however, a utility may pursue the unpaid balances via collections or other means provided by applicable law.

(i) At the end of every year of service, if the deposit plus interest is not refunded to the customer, the utility shall automatically refund the accrued interest on the deposit to the customer by crediting the customer's account and stating this credit clearly on the customer's next regular bill.

~~(j) A customer who fails to pay a bill by the time specified by the regulations of the utility and commission regarding the prompt payment of bills, and who further fails to pay the bill within a reasonable period after presentation of a disconnection of service notice for nonpayment, may be~~

~~required to pay the bill and to reestablish credit by making a deposit under this rule.~~

(k) Establishment of credit by deposit shall not relieve a customer from complying with the commission's rules for prompt payment of bills. *(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-4)*

170 IAC 4-1.2-5 Disconnection and prohibited disconnections

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-122

Affected: IC 8-1-2-4

Sec. 5. (a) Requirements for disconnection upon a customer's request are as follows:

(1) The customer shall notify the utility at least three (3) business days in advance of the day disconnection is desired. The customer shall remain responsible for all service used and the billing therefor until the date the customer has requested disconnection pursuant to the notice.

(2) Upon request by a customer to a utility to disconnect service in fewer than three (3) business days, the utility shall disconnect the service within three (3) business days of the request. The customer shall not be liable for any service rendered to the address after the expiration of the three (3) days.

(3) The customer shall not charge service or authorize the charging of service to any account that has been disconnected at the customer's request or otherwise. A customer shall be responsible for any services he or she charges or authorizes charged to the disconnected account in violation of the prohibition in this subdivision.

(b) Requirements for disconnection without a customer's request are as follows:

(1) A utility may disconnect service without request by the customer of the service and without prior notice only:

(A) if a condition dangerous or hazardous to life, physical safety, or property exists;

(B) upon order by any court, the commission or other duly authorized public authority;

(C) if fraudulent or unauthorized use of service is detected and the utility has reasonable grounds to believe the affected customer is responsible for the use;

(D) if the utility's equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering; or

(E) if the utility's equipment is used in a manner disruptive to the service of other customers.

[comment only]

(2) A utility may disconnect service to a customer based on a delinquent account with the same class of service (such as residential service) for that customer. [comment only]

(c) Requirements for prohibited disconnections are as follows:

(1) Except as otherwise provided in subsections (a) and (b), a utility shall postpone the disconnection of electric service for thirty (30) days if, before the disconnect date specified in the disconnect notice, the customer provides the utility with a medical statement from a licensed physician or public health official that states that disconnection would be a serious and immediate threat to the health and safety of a designated person in the household of the customer. The postponement of disconnection shall be continued for one (1) additional ten (10) day period upon the provision of an additional medical statement to the utility. The utility shall be required to provide the customer a total of forty (40) days postponement of disconnection for medical reasons under this subsection only once in any twelve (12) month period. Further postponement of disconnection may be made at the utility's discretion. [comment only]

(2) A utility may not disconnect electric service to the customer for any of the following reasons:

(A) Nonpayment of any nonutility or unregulated utility services.

(B) Upon the customer's failure to pay for services to a previous occupant of the premises being served unless the utility has reasonable grounds to believe that the customer is attempting to defraud the utility.

(C) On the basis of the delinquent character of an account of any other person **unless the person was a household member during a period in which all or part of a delinquent service account was accrued by the person and the person currently resides with the customer, except** or if the customer is the guarantor of that other person's account for electricity service.

(D) If the customer makes payment arrangements under section 6 of this rule.

(E) If a customer is unable to pay a bill that is unusually large due to prior incorrect billing, incorrect application of the rate schedule, prior estimates where no actual reading was taken for over two (2) months, or any human or mechanical error of the utility, and the customer:

(i) makes a payment arrangement in accordance with the guidelines set forth in section 6 of this rule; and

(ii) agrees to pay all undisputed future bills for electric service as they become due, provided, however, that the utility may not add to the outstanding bill any late fee and, provided further, that the payment arrangement agreement in item (i) and this item shall be put in writing by the utility and sent by mail to the customer.

(d) No utility may disconnect service unless the disconnecting is done between the hours of 8 a.m. and 3 p.m., prevailing local time. Disconnections under subsections (a) and (b) are not subject to this limitation. The utility may not disconnect service for nonpayment:

(1) on any:

(A) Friday after noon;

(B) Saturday;

(C) Sunday; or

(D) other day the utility's offices are not open for business; or

(2) after noon on any day immediately before a day the utility's office are not open for business.

[comment only]

(e) Requirements for notice required before involuntary disconnection are as follows:

(1) Except as otherwise provided in this section, service to any customer shall not be disconnected for a violation of any rule of the utility or for nonpayment of a bill, except after fourteen (14) days from the postmark date of a written notice sent to the customer at the address shown on the records of the utility or the notice is personally served upon the customer or a responsible member of the customer's household. No disconnect notice for nonpayment may be rendered before the date on which the account becomes delinquent.

(2) The disconnection notice shall be in language that is clear, concise, and easily understandable to a layperson and shall state, in separately numbered large print paragraphs, the following information:

(A) The date of the proposed disconnection.

(B) The specific reason and factual basis for the proposed disconnection.

(C) The telephone number of the utility office at which the customer may call during regular business hours to question the proposed disconnection or seek information concerning the customer's rights.

(D) The local and toll-free telephone numbers and office hours of the commission.

(E) That the customer may refer to the pamphlet furnished under 170 IAC 4-1-18 for information as to the customer's rights.

~~(F) Information as to the customer's rights, under this rule, including, but not limited to, the following:~~

~~(i) That the customer may obtain a temporary waiver of disconnection for a serious illness or medical emergency under subsection (c).~~

~~(ii) That the customer may file a complaint with the utility.~~

~~(iii) That if the complaint is not resolved by the utility to the customer's satisfaction, the customer may file a complaint with the commission.~~

~~(iv) That the customer may make payment arrangements under section 6 of this rule.~~

(f) Utility employees conducting disconnections of service shall follow the following procedures:

(1) Immediately preceding the actual disconnection of service, the employee of the utility designated to perform the function shall make a reasonable attempt to identify himself or herself to the customer or any other responsible person then upon the premises and shall announce the purpose of his or her presence and shall make a record thereof to be maintained for at least thirty (30) days.

(2) The employee shall have in his or her possession information sufficient to enable the employee to inform the customer or other responsible person the reason for the disconnection, including the amount of any delinquent bill of the customer, and shall request from the customer any available verification that the outstanding bill has been satisfied or is currently in dispute and under review by the utility or the commission. Upon the presentation of such credible evidence, service shall not be disconnected.

(3) The employee shall not be required to accept payment from the customer, user, or other responsible person in order to prevent the service from being disconnected. The utility shall notify the customers under 170 IAC 4-1-18 of its policy with regard to the acceptance or nonacceptance of payment from the employee and shall uniformly follow the policy without discrimination.

(4) When the employee has disconnected the service, the employee shall give to a responsible person at the customer's premises, or if no one is at home, shall leave at a conspicuous place on the premises, a notice stating that service has been disconnected and stating the address and telephone number of the utility where the user may arrange to have service reconnected.

(g) If a utility disconnects service in violation of this rule, the service shall immediately be restored at no charge to the customer. (*Indiana Utility Regulatory Commission; 170 IAC 4-1.2-5*)

170 IAC 4-1.2-6 Payment arrangements and reconnection of service

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-121; IC 8-1-2-122

Affected: IC 8-1-2; IC 32-34-1-20

Sec. 6. (a) Except in cases where fraudulent or unauthorized use of utility service is detected and the utility has reasonable grounds to believe the customer is responsible for the use, when a residential customer cannot pay an undisputed bill or the undisputed portion of a disputed bill in full **and the utility is notified at least five (5) business days prior to the noticed day of disconnection**, the utility shall continue to serve the customer or reconnect the customer if the customer and the utility agree on a reasonable portion of the outstanding bill to be paid immediately. The manner in which the balance of the outstanding bill will be paid (the "payment arrangement") shall be made in accordance with the following guidelines:

(1) The customer shows **to the utility** just cause for his or her inability to pay (financial hardship **demonstrated to the utility** shall constitute just cause), and the customer pays a reasonable portion of the amount, ~~not to exceed~~ **less than** one-third ($\frac{1}{3}$) of all amounts due (unless the customer agrees to a greater portion), and the customer:

(A) agrees to pay:

(i) the balance of all amounts due **over a reasonable period of time** in equal monthly installments; and

(ii) all undisputed future bills for utility service as they become due; and

(B) has not breached any similar agreement with the utility made under this section in the last twelve (12) months.

(2) In deciding on the reasonableness of a particular payment arrangement, the utility shall consider the following:

(A) The customer's ability to pay.

(B) The size of the unpaid balance.

(C) The customer's payment history and length of service.

(D) The amount of time the debt has been and the reasons why the debt is outstanding. [comment only]

(3) The payment arrangement shall provide the customer with adequate opportunity to apply for and receive the benefits of any available public assistance program.

(4) The payment arrangement is subject to amendment upon the customer's request if there is a change in the customer's financial circumstances. [comments only]

(5) The utility may add to the outstanding bill a late payment charge not to exceed the amount set under 170 IAC 4-1-13(c); however, only one (1) late payment charge may be assessed against the charges applicable to any given month.

(b) The terms of any payment arrangement made under this section shall be put in writing by the utility and sent by mail to the customer.

(c) If the customer does not meet any of the conditions in subsection (a), the utility may, but is not obligated to, enter into subsequent payment arrangements with the customer.

(d) The utility shall reconnect service to a customer as soon as reasonably possible but at least within one (1) working day after the utility is requested to do so if the customer has satisfied the requirements of this rule.

(e) A utility may charge a reasonable reconnection charge not to exceed the charge approved by the commission in the utility's filed tariffs. A utility shall inform its customers of the reconnection fee under 170 IAC 4-1-18.

(f) Notwithstanding any other provision of this rule, from December 1 to March 15 of any year, any electric utility customer who either is receiving or who is eligible for and has applied for assistance under IC 12-14-11 of any electric utility shall be reconnected, if disconnected for nonpayment, as soon as possible upon:

(1) paying twenty percent (20%) of the amount past due;

(2) paying twenty percent (20%) of any deposit required by the utility; and

(3) entering into a payment arrangement for the balance of past due amounts.

The utility shall allow the customer a minimum of three (3) months or until March 15, whichever is later, to retire the past due balance and the remainder of the deposit. The customer shall also be informed that payment on the amounts past due and the deposit, if any, plus the current bills must be paid by the due date or the customer may face termination of service, subject to the winter moratorium described in section 7(b) of this rule.

~~(g) No later than September 15 of each year, every public utility shall conduct a survey of all customers whose electric service was used to provide or control the primary source of space heating in the dwelling and whose electric service was terminated for nonpayment of a bill or deposit from December 1 of the previous year to September 1 of the current year and where service at that premises has not been restored. Not later than October 15 of each year, the utility shall notify each of these customers that the electric service will be restored by the company for the coming heating season if the former customer contacts the utility and makes arrangements to pay the past due balance and any deposit required by the utility under the conditions set forth in this rule. A utility shall notify the former customer or an adult member of the household by personal visit, telephone contact, or mailing of a letter by first class mail to the last known address of that customer. The utility shall keep records that indicate the date, form, and results of the contact. The commission may request the utility to report the results of customer contacts made under this subsection. (Indiana Utility Regulatory Commission; 170 IAC 4-1.2-6)~~

170 IAC 4-1.2-7 Home energy assistance; disconnection of service to recipients; notice period

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-121; IC 8-1-2-122
Affected: IC 12-14-11

Sec. 7. (a) Without a customer's request, a utility may not, during the period from December 1 through March 15, disconnect electric residential service to any customer who either is:

- (1) receiving; or
- (2) eligible for and has applied for;
assistance under IC 12-14-11.

(b) During the period from December 1 through March 15, a utility may not disconnect service to such customers if:

- (1) the customer's eligibility to receive benefits under IC 12-14-11 is being determined by the division of family and children or its designee after the submission of a complete application for benefits by the customer; or
- (2) the customer has furnished to the utility proof of his or her application to receive such benefits or the utility has been so notified in writing by the division of family and children or its authorized representative.

(c) This section does not prohibit a utility from terminating residential electric service upon the request of a customer or under any of the following circumstances:

- (1) If a condition dangerous or hazardous to life, physical safety, or property exists.
- (2) Upon order by any court, the commission, or other duly authorized public authority.
- (3) If fraudulent or unauthorized use of service is detected and the utility has reasonable grounds to believe the affected customer is responsible for the use.
- (4) If the utility's equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering.
- (5) If the utility's equipment is used in a manner disruptive to the service of other customers.

[comment only]

(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-7)

170 IAC 4-1.2-8 Customer complaints to the utility

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 8. (a) An applicant or customer may complain at any time to a utility about any bill, security deposit, disconnection notice, or any other matter relating to installation or service and may request a conference with the utility thereon. The complaints may be made in person, by telephone, in writing, or by completing a written or electronic form available from the utility. A complaint shall be considered filed upon receipt by the utility, except mailed complaints shall be considered filed two (2) calendar days after the postmark date. In making a complaint or request for conference, the applicant or customer shall state, at a minimum, his or her name, service address, telephone number, and the general nature of his or her complaint. [comment only]

(b) Upon receiving each such complaint or request for conference, the utility shall take the following actions:

- (1) ~~Immediately~~ Promptly notify an applicant or customer that any undisputed portion of a bill shall be paid by the date due in order to avoid disconnection of service in accordance with section 5 of this rule. In those instances when the applicant or customer and the utility cannot agree as to what portion of a bill is undisputed, the applicant or customer shall pay on the disputed bill an amount equal to the applicant or customer's average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the applicant or customer has received fewer than twelve (12) bills, the applicant or customer shall pay an amount equal to one-twelfth ($\frac{1}{12}$) of the estimated

annual billing for service to be rendered to the applicant or customer.

(2) Promptly, thoroughly, and completely investigate the complaint in good faith, attempt to confer with the applicant or customer when requested, and notify the applicant or customer of the utility's proposed disposition of the complaint. During the investigation, no collection action shall be taken for items that are being disputed, ~~and there shall be no negative impact on the applicant or customer's credit rating.~~

(3) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any service that is the subject matter of the complaint while investigating the complaint or making a good faith attempt to resolve the complaint, **subject to the exceptions of Section 7. (c).**

(4) Charges that are disputed by the applicant or customer shall not be treated as delinquent while an investigation is pending.

(5) After investigation, the utility may rebill the disputed charges in the next billing cycle if the investigation determined that the charges were appropriate; however, the utility shall not assess any late payment charge that may have accrued while the investigation was pending.

(6) If the utility's proposed disposition is not in the applicant or customer's favor, the utility shall notify the applicant or customer of the disposition in writing if the complaint was made in writing. If the utility's proposed disposition is not in the applicant or customer's favor, the utility shall notify the applicant or customer in writing or orally, if the complaint was made orally. The notification shall include contact information for the commission, including the commission's mailing address, toll-free complaint number, and local telephone number. A utility shall direct its personnel engaged in contact with an applicant or customer to inform the applicant or customer, if he or she expresses dissatisfaction with the decision of the personnel, of the right to have the problem considered and acted upon by supervisory personnel of the utility. A utility shall further direct the supervisory personnel to notify the applicant or customer who expresses dissatisfaction with the decision of the supervisory personnel of the right to have the problem reviewed by the commission's consumer affairs division and shall furnish him or her the business address and telephone number of the commission. The notification shall advise the applicant or customer that if he or she is dissatisfied with the utility's disposition, the applicant or customer may, within twenty-one (21) days, file a complaint with the commission's consumer affairs division (under section 9 of this rule). The payment of a deposit as requested by the utility shall not foreclose or in any manner affect the applicant or customer's right to appeal under IC 8-1-2-34.5 or other applicable law.

(c) If at any time the applicant or customer files a complaint with the commission regarding a dispute with a utility, the procedures set forth in section 9 of this rule shall apply. Any disconnection of the applicant or customer's service shall be governed by section 5 of this rule.

(d) A utility shall retain a written record of complaints and requests for conferences for at least eighteen (18) months after the complaint or request for conference is made. The records shall be maintained at the office or branch office of the utility or in the respective department office thereof where the complaints were received or any conferences were subsequently held. The written records are to be readily available upon request by the:

- (1) concerned applicant or customer;
- (2) applicant or customer's agent possessing written authorization; or
- (3) commission.

(e) A utility shall, at the request of the commission, submit a report covering the previous twelve (12) month period to the commission that shall state and classify the following:

- (1) The number of complaints made to the utility under this rule.
- (2) The general nature of the subject matter thereof.
- (3) How the complaint was received.
- (4) Whether a commission review was conducted thereon.

(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-8)

170 IAC 4-1.2-9 Customer complaints to the commission

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-88

Sec. 9. (a) An individual or entity may informally complain to the commission's consumer affairs division with respect to any matter within the jurisdiction of the commission. **[comment only]** The complaints may be made in person, by telephone, in writing, or by completing a written or electronic form available from the consumer affairs division. A complaint shall be considered filed upon receipt by the commission, except mailed complaints shall be considered filed as of the postmark date. In making a complaint, the applicant or customer shall state, at a minimum, the following:

- (1) His or her name.
- (2) The service address.
- (3) His or her telephone number.
- (4) The name of the utility involved.
- (5) The general nature of his or her complaint.

(b) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any service that is the subject matter of the complaint while any commission review or investigation of the complaint is pending. The applicant or customer shall continue to pay all undisputed charges. In those instances when the applicant or customer and the utility cannot agree as to what portion of a bill is undisputed, the applicant or customer shall pay on the disputed bill an amount equal to the applicant or customer's average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the applicant or customer has received fewer than twelve (12) bills, the applicant or customer shall pay an amount equal to one-twelfth ($\frac{1}{12}$) of the estimated annual billing for service to be rendered to the applicant or customer.

(c) If the applicant or customer is dissatisfied with a utility's notice of the utility's proposed disposition of the complaint as provided in section 8 of this rule, the applicant or customer may, within twenty-one (21) days after the postmark date of the notice, file an informal complaint with the commission's consumer affairs division.

(d) Upon receiving an informal complaint, the following actions shall be taken:

- (1) The utility shall be notified that a complaint has been made.
- (2) The complaint shall be investigated.
- (3) The applicant or customer and the utility shall be notified of the decision made on the complaint in accordance with applicable law.

(e) Requirements for an informal review are as follows:

- (1) The applicant or customer or the utility may make a written request that a decision made under subsection (d) be reviewed informally by the consumer affairs director or designee. The written request shall be made within fourteen (14) days of the decision. The records of the commission relating to the reviews shall be kept in a systematic order.
- (2) Upon receiving a request for an informal review, the consumer affairs director or designee shall provide an informal review in a timely manner. The review shall consist of not less than a prompt and thorough investigation of the dispute and shall result in a written decision to be mailed to the applicant or customer and the utility. Upon request by either party or the consumer affairs director or designee, the parties shall be required to meet and confer to the extent and at a place the consumer affairs director or designee considers appropriate.

(f) The applicant or customer may make a written request that the commission investigate the disposition of the informal review. The written request shall be made within twenty (20) days of the

consumer affairs division's notice of disposition. Before entering an order upon a commission investigation, the commission shall afford the applicant or customer and the utility notice and an opportunity to be heard.

(g) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any disputed service until at least twenty (20) days have elapsed from the postmark date of the consumer affairs division's disposition or the commission's order upon investigation, if any.

(h) The time frames provided in this section may be extended at the discretion of the consumer affairs division. *(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-9)*

170 IAC 4-1.2-10 Estimated bills

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-4

Sec. 10. (a) Each estimated bill shall be clearly and conspicuously identified as such. Unless otherwise requested by a customer, estimated bills shall not be issued for more than three (3) consecutive months. After three (3) consecutive months of estimating the customer's bill, the utility shall secure an accurate reading of the meter. Failure on the part of the customer to comply with a reasonable request for meter access may lead to discontinuance of service.

(b) A utility or billing entity may not render a bill based on estimated usage if:

~~(1) the billing would be the customer's first or final bill for service;~~

(21) the customer has supplied meter readings to the utility; or

(32) the customer has requested an actual meter read.

(c) When a utility or billing entity renders an estimated bill in accordance with this article, the utility or billing entity shall maintain accurate records of the reasons therefor and efforts made to secure an actual reading.

(d) When a utility underestimates a customer's usage, the customer shall be given the opportunity to make payment arrangements as provided in this rule.

(e) A utility may estimate a bill because a meter malfunctioned or failed. If the time when the meter malfunction or error began cannot be reasonably determined to have occurred within a specific billing period, the corrected billings shall not exceed the most recent six (6) months before the discovery of the malfunction or error. If the time when the malfunction or error began can be reasonably determined, the corrected billings shall go back to that time but shall not exceed twelve (12) months. **[comment only]**

(f) This section shall not apply to rural electric membership corporations. *(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-10)*

[SECTIONS 2 THROUGH 12 ARE NOT APPLICABLE TO ELECTRIC SERVICE.]

SECTION 13. THE FOLLOWING ARE REPEALED: 170 IAC 4-1-15; 170 IAC 4-1-16; 170 IAC 4-1-16.5; 170 IAC 4-1-16.6; 170 IAC 4-1-17; 170 IAC 5-1-15; 170 IAC 5-1-16; 170 IAC 5-1-16.5; 170 IAC 5-1-16.6; 170 IAC 5-1-17; 170 IAC 6-1-15; 170 IAC 6-1-16; 170 IAC 6-1-17.

SECTION 14. **SECTIONS 1 through 13 of this document take effect one hundred eighty (180) days after filing with the secretary of state.**

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on September 22, 2004 at 10:30 a.m., at the Indiana Government Center-South, 302 West Washington Street, Training Center Room 10, Indianapolis, Indiana the Indiana Utility Regulatory Commission will hold a public hearing on proposed amendments to the customer service rights and responsibilities rules for utilities. Copies of these rules are now on file at the Indiana Government Center-South, 302 West Washington Street, Room E306 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

William D. McCarty
Commission Chairman
Indiana Utility Regulatory Commission